

Layton City Council Presentation



Original '5 Year Plan' Performance

- Covered all new debt payments without hitting city backstops
- Increased addressable market
- Completed stimulus build-out
- Completed Sweet Spot construction build (Phase II Business Focus)
- Added over 7000 subscribers since July 2011



Original '5 Year Plan' Performance (Continued)

- UIA recurring revenues grown to over \$650,000 per month
- Combined Network Recurring Revenues over \$1,000,000
 - Continues to grow at \$10,000 – \$15,000 per month
 - FY15 average growth \$14,000



Original '5 Year Plan' Performance (Continued)

- Operational Break Even achieved prior to December 2015
 - Achieved break even status prior to realizing benefits of final \$24M Bond
- City Assessments
 - Did not send assessments in FY16
 - Do not anticipate assessment in FY17



Continue to follow original '5 Year Plan' Strategies

- Asset deployment based on best ROI (with a bias towards parity)
 - Calculate Payback based on:
 - Construction Costs
 - Anticipated Revenue
 - Rank by quickest payback
- Stimulus and Open Trench Opportunities push some projects to top of list
- Also continued focus on:
 - Business
 - “Green” Addresses”



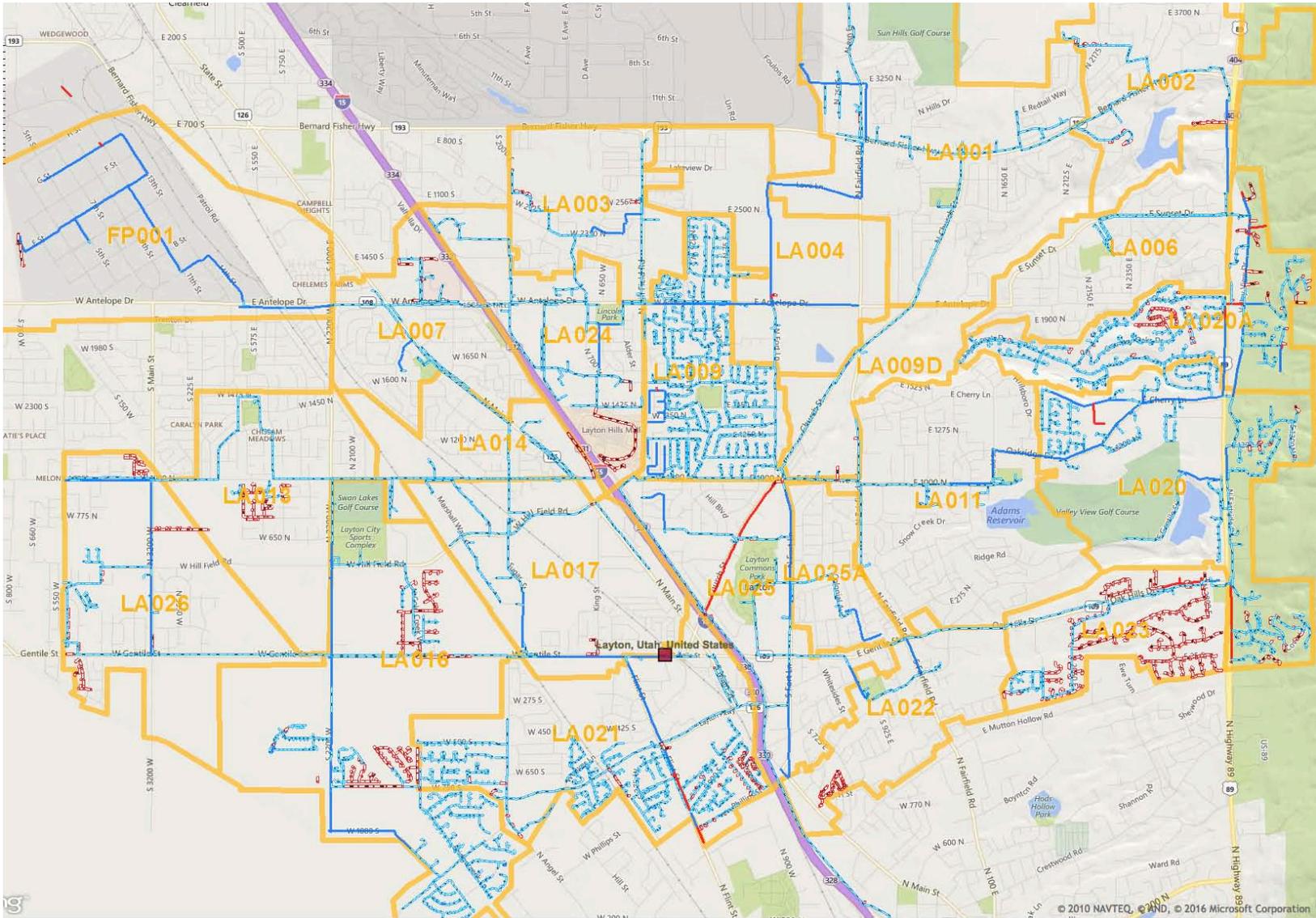
UIA Revenue Growth



Combined Revenue Growth



Current Status of UTOPIA in Layton



Opt-in Build



	Residential	Business	MDU	Total
Addresses	17,497	827	6,939	25,263
Existing with Fiber	4,129	541	3,073	7,743
To Be Built	13,368	286	3,866	17,520

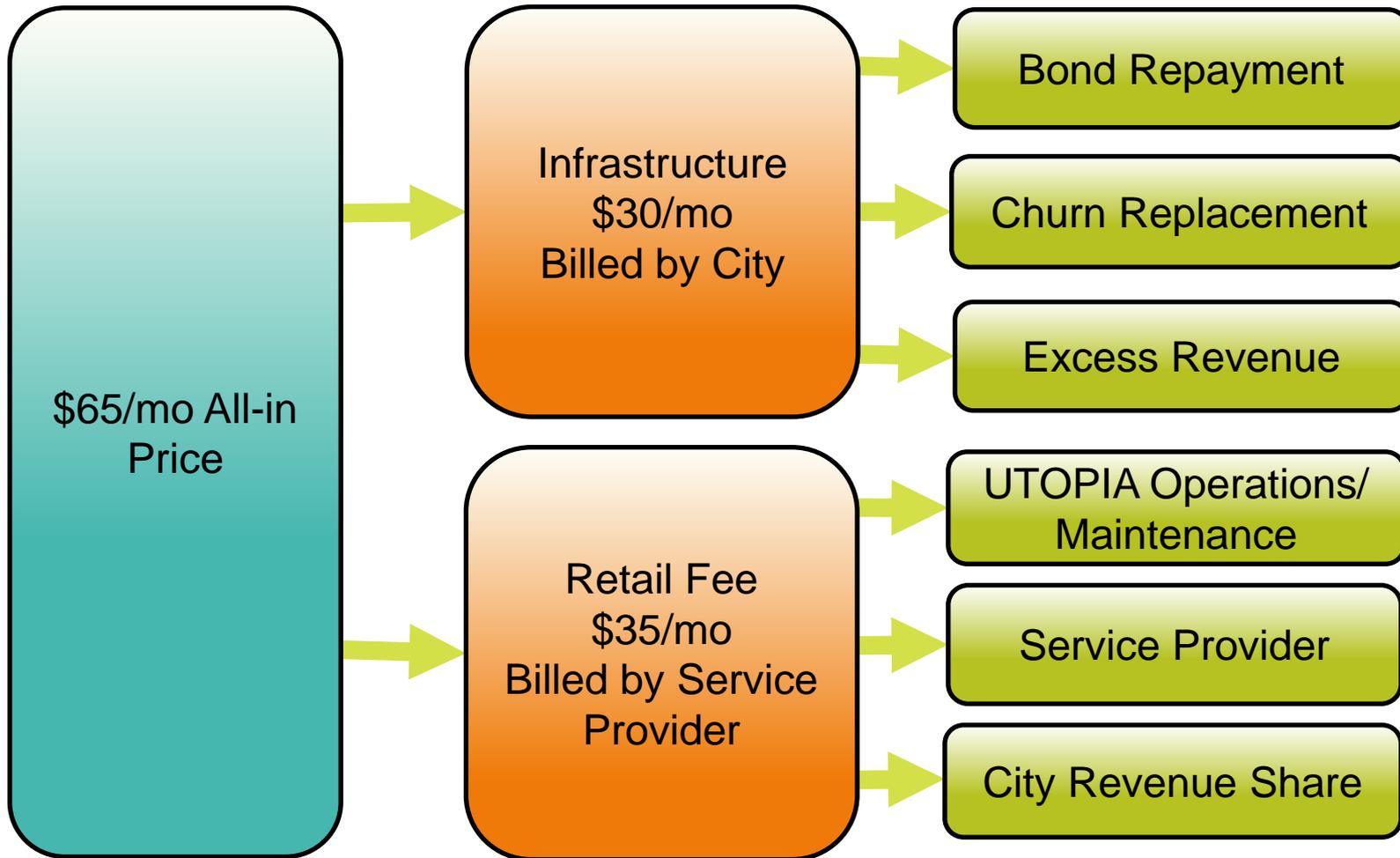
- **Target take rates**
 - Residential – 35%
 - Business – 20%
 - MDU – 15%
- **Total project cost - \$28,332,196**
- **Monthly debt service on 30yr bond – \$135,262**
- **Monthly Opt-in revenue - \$177,755**
- **Monthly churn replacement - \$22,000**
- **Monthly net Revenue - \$20,493**



Opt-in Revenue



Example - Minimum 250/250Mbps Internet Package



Utility Full Build Model



	Residential	Business	MDU	Total
Addresses	17,497	827	6,939	25,263
Existing with Fiber	4,129	541	3,073	7,743
To Be Built	13,368	286	3,866	17,520

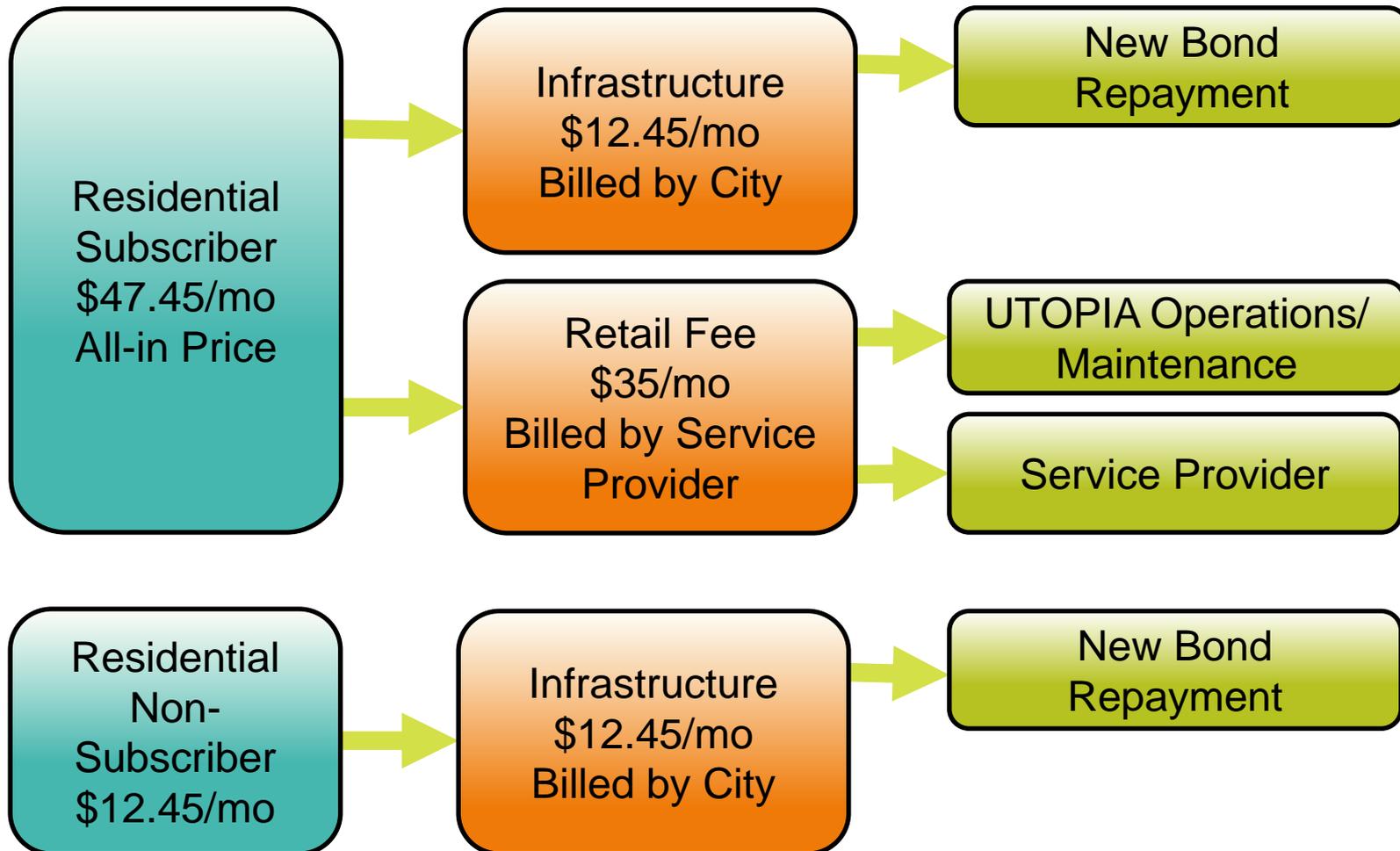
- **Monthly utility fee**
 - Residential - \$12.45
 - Commercial (2x) - \$24.90
 - MDU (0.5x) - \$6.23
- **Total Project Cost - \$58,943,997**
- **Monthly debt service on 30yr bond - \$281,408**
- **Monthly utility revenue - \$281,408**



Utility Full Build - only new debt



Example - Minimum 250/250Mbps Internet Package



Utility Full Build w/ Pledge



	Residential	Business	MDU	Total
Addresses	17,497	827	6,939	25,263
Existing with Fiber	4,129	541	3,073	7,743
To Be Built	13,368	286	3,866	17,520

- **Monthly utility fee**
 - Residential - \$23.10
 - Commercial (2x) - \$46.20
 - MDU (0.5x) - \$11.55
- **Total New Project Cost - \$58,943,997**
- **Monthly debt service on 30yr bond - \$281,408**
- **Monthly debt service of pledge (2028) - \$240,753**



Utility Full Build w/ all debt repay



Example - Minimum 250/250Mbps Internet Package

